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109TH CONGRESS
2D SESSION

H. R. 6266

To authorize the Secretary of Energy to make loan guarantees for cellulosic ethanol production technology development.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 2006

Ms. JACKSON-LEE of Texas (for herself, Mr. BERMAN, Ms. SOLIS, Ms. WATSON, Ms. MILLENDER-MCDONALD, Mr. CONYERS, Mr. MCGOVERN, Mr. KENNEDY of Rhode Island, Mr. PALLONE, Mr. KUCINICH, Mr. BUTTERFIELD, Mr. SCOTT of Georgia, Ms. KILPATRICK of Michigan, Mr. RANGEL, Ms. LEE, Mr. ORTIZ, Mr. CUELLAR, Mr. REYES, Mrs. NAPOLITANO, Mr. KILDEE, Mr. LANGEVIN, Mr. LYNCH, Mr. THOMPSON of Mississippi, Mr. CLAY, Mr. RUPPERSBERGER, and Mr. DAVIS of Illinois) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To authorize the Secretary of Energy to make loan guarantees for cellulosic ethanol production technology development.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''21st Century Energy Independence Act of 2006''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The Energy Information Administration estimates that the United States imports nearly 60 percent of the oil it consumes.

(2) The world's greatest petroleum reserves reside in regions of high geopolitical risk, 57 percent of which are in the Persian Gulf.

(3) Replacing oil imports with domestic alternatives such as traditional and cellulosic ethanol can not only help reduce the $180,000,000,000 that oil contributes to our annual trade deficit, it can end our addiction to foreign oil.

(4) According to the Department of Agriculture, biomass can displace 30 percent of our Nation's petroleum consumption.

(5) Along with traditional production of ethanol from corn, cellulosic ethanol can be produced domestically from a variety of feedstocks, including switchgrass, corn stalks, and municipal solid wastes, which are available throughout our Nation.

(6) Cellulosic ethanol also relies on its own by-products to fuel the refining process, yielding a positive energy balance.

(7) Even though the potential production of traditional corn-based ethanol is about

10,000,000,000 gallons per year, the potential production of cellulosic ethanol is estimated to be 60,000,000,000 gallons per year.

(8) In addition to ensuring access to more abundant sources of energy, replacing petroleum use with ethanol will help reduce United States carbon emissions, which are otherwise expected to increase by 80 percent by 2025.

(9) Cellulosic ethanol can also reduce greenhouse gas emissions by 87 percent.

(10) Facilitating the transition from foreign oil to ethanol will protect our environment from dangerous carbon and greenhouse gas emissions.

(11) Cellulosic ethanol technology requires initial governmental investment and policy support to achieve the necessary scale to become self-sufficient and gain market-penetrating capacity.

SEC. 3. PURPOSE.

In carrying out this Act, the Secretary of Energy (in this Act referred to as the ''Secretary'') shall seek to ensure the availability of 200 percent of the volume of renewable fuels required to be available in the United States by 2013 under the Energy Policy Act of 2005, and to ensure the reduction of carbon dioxide emissions from the production and use of renewable fuels by 25 percent.

SEC. 4. LOAN GUARANTEE PROGRAM.

The Secretary shall establish a program for making loan guarantees for up to 80 percent of the cost of a project, consistent with section 3, for—

(1) up to 5 projects for the harvesting, storing, and delivery of agriculture residues for use in cellulosic or traditional ethanol production plants;

(2) cellulosic ethanol production technologies that will reduce the initial capital cost to $2.50 per annual gallon, and reduce operation and maintenance costs to 125 percent of those at traditional corn ethanol plants;

(3) advanced biomass gasifiers that can provide at least 90 percent of the thermal input requirements for traditional ethanol plants to produce syngas; and

(4) appropriately scaled catalytic conversion process (such as Fischer-Tropsch) projects to convert syngas to liquid fuels with the potential for economic conversion at facilities producing 100,000,000 annual gallons, with projects colocated at ethanol facilities already using advanced gasifiers given priority.

SEC. 5. LIMITATIONS.

The Secretary shall make a loan guarantee under section 4(1)—

(1) for a traditional ethanol plant only if the agriculture residue products are used as feedstock to replace thermal input requirements otherwise provided by fossil fuels such as natural gas or coal; and

(2) for an existing ethanol plant only if the applicant demonstrates the potential to reduce carbon dioxide emissions related to ethanol production by at least 75 percent.

SEC. 6. GRANTS.

The Secretary may additionally provide grants for projects described in section 4(2) for up to 50 percent of the capital costs of the initial commercialization projects.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary for carrying out this Act, $250,000,000.

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